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STARTING

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URBAN/MUNICIPAL

BUSINESS

IN

HAMILTON- WENTWORTH

Prepared By:

The Hamilton & District Chamber of Commerce

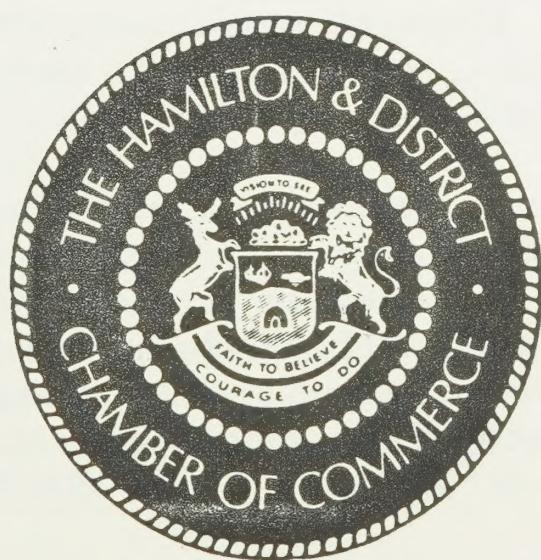




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THE HAMILTON
AND
DISTRICT
CHAMBER OF COMMERCE



'STARTING A BUSINESS IN THE HAMILTON-WENTWORTH AREA'

The thought of starting a small business is an exciting one. It has fostered many enthusiastic attempts into numerous ventures, but statistics show that a large majority of these attempts end in failure. The reason for 90% of these failures is due to incompetence of the owner-operator in some vital area of his operation.

In order to encourage and aid new businesses the Hamilton and District Chamber of Commerce has developed this basic guide.

To begin with, one must understand that the size of a business has an effect on its method of operation. Large organizations have in-depth management where individual management mistakes are seldom fatal to the firm. A mistake in a small business by an owner/manager can sometimes become critical and eventually put him out of business. Therefore, businesses of varying sizes conduct themselves differently in order to survive. The specialized techniques used by large firms seldom work in the small business environment. The owner/manager of a small business must be an expert in all areas of finance, personnel, sales, production and services, etc., or be able to augment weakness's by hiring competent help.

In every case, however, a business must function properly and efficiently. In order to do so it must possess a good bookkeeping or accounting system for close control over all business transactions. If there is any doubt about bookkeeping or accounting procedures, a recognized accountant should be engaged to handle these details.

For any legalities involved such as charters, incorporations, leases, agreements, etc., a lawyer should be engaged for consultation. Once the business, plant or office has been established, it will be visited periodically (usually once a year), by auditors of various government departments, to see that all procedures and deductions are conforming to federal, provincial and municipal laws.

PLAN OF DEVELOPMENT

Since starting a small business can become confusing, consulting a lawyer on the appropriate form of operation is usually beneficial. The legal ramifications of a sole proprietorship, a partnership, franchise, or an incorporated company either provincial or federal, must be carefully considered in the plan of development. In some cases additional help from accountants and management consultants or C.A.S.E. (Counselling Assistance for Small Enterprises) may be required in putting together a complete business plan related to the industry, management team, geographic location, and the size of financial requirements, before the owner/manager of a business can generate interest in backing his venture.

FINANCIAL INSTITUTIONS

Sound financial backing is required to assure a sound business enterprise. A realistic business proposal usually invites financial interest. Sources for backing are local Chartered Banks, Trust Companies, Insurance Companies, the Federal Business Development Bank, Financial Services Ontario Development Corporation and various sources of Venture Capital*.

* "Sources of Venture Capital - A Canadian Guide" Department of Industry, Trade and Commerce, Ottawa, Ontario-Canada.

LICENSING AND BONDS

There are numerous municipal licenses required for services and manufacturing within the City of Hamilton. A call to the licensing department at the Hamilton City Hall (phone 526-2742) will clarify any area involving their requirements.

LICENSING AND BONDS (cont'd)

The provincial authorities also require licensing for certain business operations, such as automobile, garage licenses, liquor licenses, P.C.V. licenses, etc. Various local department telephone numbers are listed in the Hamilton Telephone Directory under Governments, Ontario. A call to the Consumer and Commercial Relations Department 119 King Street West, phone 521-7554 would be beneficial. A solicitor or lawyer would also have relevant information as to these provincial requirements. A bond is required for itinerant sellers.

BY-LAW AND ZONING INFORMATION

Ancaster, Mr. Bram Radix, - 648-4401
Dundas, Mr. Bud Edmonds, - 628-6327 Ext. 216
Flamborough, Mr. Andy Salonen, - 689-7351
Glanbrook, Mr. Harry Kooyman, - 679-4121
Hamilton, Mr. Earl Begg, - 526-2720
Stoney Creek, Mr. Bill Mushing, - 643-1261
Grimsby, Mr. Mel Iovio - 945-9634

TAXES

- Federal Corporation Tax is levied on businesses on taxable income and payments are made in monthly installments to the Revenue Canada, Ottawa, Ontario. Further information may be obtained by writing to Ottawa or by inquiring at the local branch, 150 Main Street West, phone 522-8671.
- Provincial Corporations Tax is also levied on business income. These taxes are included in the payments to the Federal Government who then distribute the Provincial share.
- Federal Sales (Excise) Tax must be paid on the selling price of Canadian Manufactured goods and on the duty-paid value of imported goods. Information may be obtained from Customs and Excise Branch, Department of National Revenue, 10 John St. South, 3rd Floor, phone 572-2321.

TAXES (Cont'd)

- Ontario Retail Sales Tax of 7% must be paid on any taxable item sold. A business engaged in retail selling must obtain a 'Retail Sales Tax License' from the District Office. Sales Tax is also applicable to the Service Industry and is levied on food and accommodation over a certain amount. Information is available by contacting the Ontario Retail Sales Tax Branch, District Office at 119 King Street West, phone 521-7504. Application forms for a license are obtainable at the office.
- Out-of-Province visitors are eligible to receive a rebate for the 7% retail sales tax paid on retail purchases and accommodation. Forms are available at the above address and phone number as well.
- Municipal Taxes are levied on all lands and buildings used for business purposes. Information is obtained by contacting the Hamilton City Hall, 71 Main Street West, phone 526-2774 for business and realty taxes.
- Personal Income Tax must be paid on income by every resident in Canada for 183 days or more per year, to the Federal Department of Revenue. Inquiries can be made by phoning 522-8671.

BUSINESS INSURANCE

A wide variety of insurance to protect businesses against financial loss is available from local insurance companies and their agents.

These could include protection of Commercial or Industrial properties such as buildings, equipment and materials, etc., against fires, theft, and other calamities. There is also protection for partners and employees against, death, accident and illness. Care must be taken, however, in purchasing insurance so that a business or industry is not over insured in any one area or another, but that it is adequately protected in every area that could cause financial loss due to unforeseen occurrences.

LABOUR

- Labour Legislation: The Provincial Government is responsible for legislation regarding the welfare of any employee. Employers are subject to the Ontario Employment Standards Act. These relate to minimum wage rates, hours of work, overtime pay, vacation pay, wage protection, etc. For copies of these regulations contact the Ministry of Labour, 119 King St. W. 8th floor, phone 521-7736.

Employers are also required to adhere to other Provincial regulations such as the Industrial Safety Act, Construction Safety Act and those of the Human Rights Commission. Information can be obtained at the above address and phone number.

- Hiring: Your local Canada Manpower and Immigration Centre is at your disposal, free of charge, and can meet all your personnel needs from general labour to executives, including specialized technical people. Your orders can be filled from local areas or be cleared across Canada. Under certain circumstances orders can be cleared to foreign countries for specialized service. In some cases advertising or advertising assistance may be provided. Local offices are:-

HAMILTON	-40 Wellington St. N. (523-2211)	
EAST END	-1565 Barton St. E. (545-3813)	
MOUNT HOPE	-845 Upper James St. (387-34000)	
STONEY CREEK	-102 Hwy. #8	(664-4494)
MOHAWK COLLEGE STUDENT PLACEMENT	-135 Fennell W. (385-5140)	
MCMASTER UNIVERSITY -Main Street W. STUDENT PLACEMENT	(525-9140)	
EMPLOYMENT CENTRE FOR STUDENTS (Feb. - Sept.)	(528-0276)	

- Employee Training: The Federal Government in conjunction with the Provincial Education Authority provides financial incentives to all Canadian business and industry to expand and improve their training programs for the purpose of reducing unemployment and lay-offs, and to ensure skilled workers in short supply. Additional information can be obtained by contacting the Canada Manpower Centre, 40 Wellington St. N., phone 572-2211 or the Ministry of Skills Development, Apprenticeship & Trades Branch, 119 King St. West, 7th floor, phone 521-7764. The Youth Employment Centre, 33 Bold Street (522-4902) can also help you fill your employment needs as you assist in hiring our young people.

Worker's Compensation: The Worker's Compensation Act protects the worker against all accidents arising out of his employment. All persons operating a business of any type must contribute to the Worker's Compensation Board of Ontario, according to the number of employees and nature of business. It is advisable to apply for coverage for yourself, as an individual, even if you do not intend to hire any employees. Send a letter to the Worker's Compensation Board, 120 Main St. W. phone 523-1800, Attention to the Chief Assessor, describing the nature of your business and principals involved, along with their addresses. They will, in turn, send you an application on which you will estimate your payroll for the calendar year and on the basis of this information, they will establish what amount you will be required to pay. Yearly assessment will then be made.

Employee Payroll Deductions: Employers are required to make the following deductions from employee salaries, and forward them to the appropriate government departments:

- 1) Income Tax and Canada Pension Plan Contributions. For inquiries contact Revenue Canada at 150 Main St. West, phone 522-8671.

Labour (Cont'd)

- 2) Unemployment Insurance Contributions. For inquiries contact the District Taxation Office, 150 Main St. West, phone 522-8671.
- 3) Ontario Health Insurance Plan. For inquiries contact the Health Insurance Office, 119 King St. West, 10th Floor, phone 521-7100.

- Unions: Employers are required through Government legislation to recognize and bargain with a trade union organized by a majority of their employees. Collective Bargaining is the usual method of settling disputes over working conditions, wage rates, fringe benefits, etc.

PRODUCT STANDARDS

If the Business involves manufacturing of a product it is wise to contact the following organizations for information:

- The Canadian Standards Association (CSA)
178 Rexdale Blvd., Rexdale, Ontario
Phone 744-4000
(Mechanical and Electrical Products)
- Department of Consumer and Corporate Affairs, Standards Branch, 10 John St. South Hamilton regarding:

Misleading Advertising	572-2873
Consumer Products	572-2879
Consumer Services	572-2653
Hazardous Products	572-2845
Packaging and Labelling	572-2879
Weights and Measures	572-2974
- Department of National Health and Welfare, Health Protection Branch, 150 Main Street West, Room 530 Hamilton. Phone 572-2568
(Food, Drugs, Cosmetics, Medical Devices, including their packaging, labeling and Advertising, as well as, Plant Facilities, etc.)

CREDIT REGULATIONS

For interest charged on any article sold for \$50.00 or more the seller must provide the purchaser, before credit is given, with a written statement indicating the total finance charges, including the annual percentage rate being charged. Additional charges related to default in payment by the purchaser must also be indicated. For more information on credit regulations write for:

The Facts about Credit and You
Ministry of Consumer and Commercial Relations
555 Yonge Street Toronto M7A 2H6
Phone: 1-800-268-1142

SEMINARS AND TRAINING

Courses are offered by the Federal Business Development Bank, Mohawk College and McMaster University on "How to Start A Business".

OTHER SOURCES OF BUSINESS SERVICES AND INFORMATION

Valuable specialized business services and information can be obtained from:

Federal Business Development Bank,
8 Main Street East,
Hamilton, Ontario L8N 3K7
Phone: 572-2954

The Regional Municipality of
Hamilton Wentworth,
Economic Development Department
119 King St. West P.O. Box 910
Hamilton, Ontario L8N 3V9
Phone: 526-4132

C.A.S.E.
(Counselling Assistance for Small Enterprises)
8 Main Street East
Hamilton, Ontario L8N 3K7
Phone: 523-2954

OTHER SOURCES OF BUSINESS SERVICES AND INFORMATION
(Cont'd)

Ministry of Industry, Trade and Technology
119 King St. West
Hamilton, Ontario L8N 3V9
Phone: 521-7783

Canadian Manufacturer's Association
1 Yonge Street
Toronto, Ontario M5E 1E5
Phone: 363-7261

The Hamilton & District
Chamber of Commerce
100 King St. West Suite 830
Hamilton, Ontario L8P 1A2
Phone: 522-1151

Canadian Exporters Association
99 Bank St. Suite 250
Ottawa, Ontario K1P 6B9
Phone: 238-8888

Additional general information on how to run
small businesses can be obtained through books at the
Hamilton Public Library, McMaster University Library
and at local Hamilton book-stores.

Why Belong
To
The Hamilton & District
Chamber of Commerce?

Turn This Page

And Find Out.

Then Call

522-1151.

THE HAMILTON AND DISTRICT CHAMBER OF COMMERCE

1. Now in its 141st year of service to the community, the Hamilton and District Chamber of Commerce is the largest and most effective business, professional and civic organization in the entire Hamilton-Wentworth Region.
2. As a member of the Chamber you have the opportunity of meeting and working with other business leaders in the area on worthwhile endeavours.
3. Your participation in the Chamber, either direct or indirect is an investment in your future and provides you with valuable insight, updated information and an opportunity to play a part in the development of the region.
4. Your support gives the Chamber the power it needs to present a strong and meaningful front to all levels of Government....representing the collective views of the business community.
5. You assist in making Hamilton's opinions effective in shaping the policies of the Ontario and Canadian Chambers of Commerce.
6. You ensure that the opinions of the Hamilton-Wentworth business community are heard on problems directly affecting the Region and its municipalities.
7. You and your business benefit from the many programs offered by the Chamber (see Services and Privileges).
8. Providing you have business income, your annual investment in fees for the Chamber are totally tax deductible.

9. Your membership provides you, your family and guests with excellent private club facilities, coupled with an exciting and diversified social program the year-round. Charge privileges are included. A special bonus is a complimentary social membership for the spouse of any member in good standing.

OBJECTIVES

The stated objectives of the Hamilton and District Chamber of Commerce are defined in its Constitution and By-Laws as follows:

'The object of the Hamilton and District Chamber of Commerce, being representative of all business and industry within the community, is to act on their behalf on all matters which may affect them, at the same time being mindful of a collective responsibility to continue to be an active support and credit to the community.'

It further is stated.....

'All persons who support the object of the Hamilton and District Chamber of Commerce are eligible for membership.'

SERVICES

Your Chamber of Commerce can be of service through...

. . . Group Insurance...an excellent Group Insurance program especially designed for the small employer covering life, accident and sickness is available to members and their employees. Full information is available on request.

SERVICES (Cont'd)

....Business Library...a reference service for you and your business. This library is constantly being updated and renewed, but if we don't have the information you require, we'll get it for you promptly.

....Advisory Service...a skilled Chamber Executive staff is available to you by phone or by personal visit to discuss the best ways in which you may be able to solve business problems. In no way do the staff pretend to be professional consultants, but they are equipped to tell you how and where you can get the specialists you may require.

....Trade Enquiries...periodic information on trade enquiries and opportunities is made available to members. Many useful contacts are made in such a manner.

....Legislation...the Chamber through its committees and Task Forces maintain a watchful eye on all new legislation and regulations. Some three hundred members of the Chamber volunteer their time each year to accomplish this task. As required, YOUR viewpoints are brought to bear on all such topics. Your comments are always welcomed either by letter or in person.

VALIDATION OF DOCUMENTS

Certifications of Origin and other export documents are validated at nominal charge for members of the Chamber, a service obtainable only through the Chamber of Commerce. Special service rates are paid by non-members requiring this privilege.

MEETING ROOMS

As a member of the Chamber you are provided with private meeting rooms which may be reserved for luncheon meetings or day-long seminars. The entire Club facility is available either in its entirety or part for night time meetings, cocktail parties, receptions and dinners.

EXCHANGE PRIVILEGES

Your membership in the Hamilton and District Chamber of Commerce also entitles you to use the Club facilities of:

The Board of Trade of Metropolitan Toronto
La Chambre De Commerce Du District De Quebec
The Montreal Board of Trade
The Winnipeg Chamber of Commerce
The London Chamber of Commerce
The Ottawa Board of Trade
The Halifax Board of Trade
The Vancouver Board of Trade
Saint John Board of Trade, N.B.
The Calgary Chamber of Commerce

....an invaluable service for the travelling business executive.

....when visiting another Club, merely identify yourself by membership card and all charges will be transferred and billed with your monthly Club Account.

For more information about MEMBERSHIP in THE HAMILTON AND DISTRICT CHAMBER OF COMMERCE, CONTACT:
THE CHAMBER'S MEMBERSHIP DEPARTMENT AT
100 King St. West Suite 830
Hamilton, Ontario L8P 1A2
522-1151.

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ANOTHER SERVICE TO THE
HAMILTON-WENTWORTH COMMUNITY
PROVIDED BY:

THE HAMILTON AND DISTRICT CHAMBER OF COMMERCE
100 KING STREET WEST SUITE 830
HAMILTON, ONTARIO L8P 1A2
(416) 522-1151